

# Studying the relationship between organizational intelligence and organizational agility in supreme audit court

Masood Porkiani<sup>1</sup>, Mohsen Hejinipoor<sup>2</sup>

<sup>1</sup>Management Department of Kerman Branch, Islamic Azad University, Kerman, Iran; <sup>2</sup>Kerman Branch, Islamic Azad University, Kerman, Iran

## Abstract

The aim of this research is to study organizational intelligence and organizational agility in the supreme Audit Court including 31 general offices of the supreme Audit court in the province. The methodology of this research is descriptive and correlational. The population of the research includes the personnel of the general offices of the supreme Audit court. Their number is 2684. Using Kookran formulae, 337 of them were selected based on stratified random sampling and sample size. The instrumentations used to collect the data were the questionnaire of organizational intelligence and organizational agility. The validity and reliability coefficients for the questionnaire of the organizational intelligence were 0.928 and 0.826 and the validity and the reliability for the questionnaire of organizational agility were 0.933 and 0.805 respectively. The results obtained from questionnaires were analyzed using the inferential and descriptive statistical methods (correlation coefficient of Pearson and Spearman) by using SPSS 20 software. The results indicated that there is a positive and significant relationship between organizational intelligence and its dimensions and the amount of organizational agility in the supreme Audit court. And, when the amount of organizational intelligence improves, the amount of organizational agility also improves, showing that there is a direct relationship between these two variables. In other words, having high organizational intelligence in the organization promotes organizational agility.

**Keywords:** Intelligence, agility, organizational intelligence, organizational agility

## Introduction

In the present era, institutes, organizations, departments with any missions, aim or prospect act at a national or international level and they have to respond to the needs of the customers and those who benefit from their service. Therefore, studying the results of their functioning will be considered an important strategic process. The recent study in the area of human resources indicated that the five attributes of personality, predisposition, interest, intelligence, and skill are very effective and important for the improvement of organizational goal, job satisfaction, organizational learning, the tendency for knowledge and the creativity coefficient and assessment of the staff. And, these attributes are very important for the success of the human resources. Today we can claim with one hundred percent of confidence that the identification and the use of organizational intelligence can improve the compatibility of an organization and can make it distinct from other organizations. The necessity to study organizational intelligence at the present time is actually response to the present needs of the managers (Seyed Javadin, 2008). In addition, the increasing speed of the changes in the modern technology in one hand, and the changes of the identity of customer's demands and also the increasing competition between organizations on the other hand caused the organizations to follow new competitive advantages in order to be superior to their rival and answer the needs of their customers better. Regarding this problem, it seems that moving towards creating an organization which is highly flexible in response to the changing, unstable and unpredictable condition and environment,

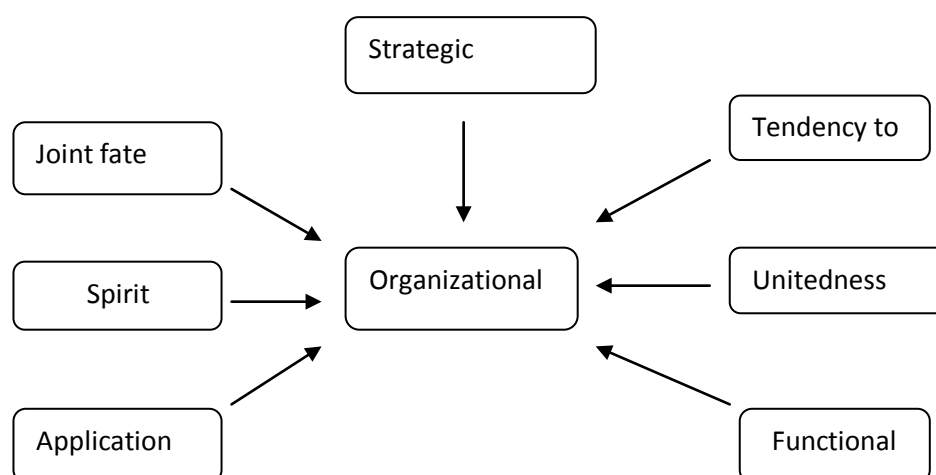
**Corresponding author:** Masood Porkiani, Management Department of Kerman Branch, Islamic Azad University, Kerman, Iran. E-mail: pourkiani@yahoo.com

is a new and vital solution. Achieving this goal is only possible under the umbrella of a new concept called organizational agility. Therefore, the value and importance of organizational agility is that it equals the speed and quickness of responsiveness and organizational flexibility against changes (Azar and Pishtaz, 2011, pp.5-22).

The main topic in the present research is to study the relationship between organizational intelligence and organizational agility in the supreme Audit court. For this purpose, organizational intelligence is measured based on the theory of Carl Albrecht in seven dimensions which are as follows: 1-strategic prospect 2- joint fate 3-tendency to change 4-spirit 5- unitedness and agreement 6- the application of knowledge 7- the functional pressure in the supreme Audit court. Therefore, with the measurement of the intelligence degree of this organization, the relationship with the organizational agility will be determined.

## Organizational intelligence

Organizational intelligence is a new concept in the literature of management organization in the 21<sup>st</sup> century. Carl Albrecht in his book in 2002 called the power of mind in work defined this concept. Albrecht defined the organizational intelligence as: the talent and potentiality of an organization in the movement and power of its imagination and the concentration of this method power in the materialization of the goals of the organization. According to *the rule of Albrecht called group stupidity*, we can express that organizations in addition to the threats of competitors and the environment around them are also responsible for the damages and harm that they do on themselves.(Nasabi.2008). Carl Albrecht regards organizational intelligence as seven components which are as follows: strategic prospect, joint fate, the tendency to change, unitedness and agreement, functional pressure, the application of knowledge and spirit. And it is shown in the following figure



**Figure 1. The index of organizational intelligence from the viewpoint of Carl Albrecht (2002)**

*Strategic perspective:* strategic prospect or strategic insight refers to the important and fundamental strategies which should be identified and accepted by all the staff and they should be adjusted to them. In addition, the experts and managers should provide some opportunities to look at them again and revise those strategies in the annual meetings. And also the managers and experts should revise the opportunities and the threats coming out of environmental factors constantly (Albrecht, 2002).

*Joint fate:* it means that the staff should consider themselves effective members of the organization and the managers should act in the projects, plans, imple-

mentation and assessment with the participation of staffs. Therefore they know organizational mission and also get a sense of empathy and solidarity towards the goals of the organization. Collaboration and free exchange of ideas and information is clearly understandable and observable. (Albrecht, 2002).

*The tendency to change:* Organizations which have more flexibility and compatibility with the environmental changes attain more success. In such organizations, the staff is encouraged for the invention, innovation and for finding better solution for getting their jobs done. The products and services always accompanied by changes because of some

changes in the demands and the needs of their work conditions. Some of the organizational cultures are usually guided by their executive groups. They usually change their way of thinking, actions and reactions toward their environment based on certain patterns. This willingness and tendency for changes provides necessary opportunities for new experiences and the chance of using new method. (Albrecht, 2002).

*Organizational spirit:* The element of spirit actually shows the tendency toward the activity which are beyond the criteria. In an organization, in which the staff have low spirit, the staff do their jobs correctly; while in an organization in which the staff have got high spirit, the staff work better and higher than their expectation and their energy is always increasing. The manager and staff are highly interested in the work and they feel proud for their membership in the organization. (Albrecht, 2002)

*Unitedness and Agreement:* In an intelligent organization, the designing of the organization and its structures, systems, methods, processes, policies, law and regulation, and rewards are offered in a method which reduces the interference of activities and re-doing them. And in such an intelligent organization, such a designing can improve the speed of decision making and responding to individuals and groups with the help of delegation of power (Albrecht, 2002).

*The application of knowledge:* Nowadays, the success or failure of the organization is based on their effective use of knowledge, information and data. The ability to create, transfer, organize, share and use knowledge in the complicated environment of the organization has changed into one dimension of basic competition.

The organizational intelligence should guarantee the free current of knowledge which is obtained through culture. And also it should balance carefully between the transferring of important information and the obtain ability in important needed areas. Also organizational intelligence should support ideas, invention, questions and IFs and should encourage them. (Albrecht, 2002).

*Functional pressure:* In an intelligent organization, everyone does its job correctly. Because they believe in the validity of their goal and they believe that there is a logical balance between individual expectations and organizational expectations. (Albrecht, 2002).

Helaal sees the organizational intelligence as the ability of the organization in creating and benefiting from appropriate knowledge in accordance

with environmental conditions. In his opinion, organizational intelligence is actually the capacity of the organization for creating knowledge and applying its strategies in order to coordinate and being adjusted to the environment around. Helaal further says that organizational intelligence is actually the ability of processing different information in the organization.

Helaal *et al* thinks that organizational intelligence is actually a function of the five sub-cognitive systems which are as follows: organizational structure, culture, the relations of beneficiaries, management of knowledge and strategic processes (Helaal *et al.*, 2006).

Symich defines organizational intelligence as: the method ability of the organization for solving organizational problem. Here the emphasis is on the integration of technical ability and human's ability to solve problems and difficulties. Explicitly, organizational intelligence involves general information, experience, knowledge and understanding of organizational problem (Symich, 2005).

*Organizational agility:* The concept of agility was first used in 1991 by Yakoka institute<sup>4</sup>. In the report offered by this agency, agility was introduced as a fundamental possibility for new productions (Nigel and Dove, 1991). The term Agile actually shows the flexibility of the organization in confrontation with the external and internal events. Organizations need to use up-to-date information systems and technology in order for the organization to be able to act quickly and flexibly, they need to use up-to-date technologies and information systems, invest on the knowledge worker, integrate the business processes, be aligned with the virtual form of organizations, cooperate externally and internally and achieve the chain of integrated supply (Bro *et al.*, 2001). On the other hand, Meson-Jones (2000), in his article regarded the use of business knowledge and the opportunity provided by virtual organization and organizational agility. According to Van Hook *et al* (2001), organizational agility is obtained through getting the necessary abilities by use of thoughts and responding to the customer's needs. Itken *et al* (2002) regarded the ability of distinguishing the need, quick response, flexibility, and simultaneous production as the attributes of organizational agility. Strotten and Warbertton (2002) in his research pointed out that the existence of the demand of variable and consequently innovative production and product are considered

the main factor for creating agility in organization. Koomer *et al* (2006) in his research defined organizational agility as the flexibility of a sensitive institution in order to respond quickly to the planned and unplanned changes. Of course, he further added that this job is carried out in a short term period., economical high quality and simple devices are used in a dynamic environment and also he updates his previous knowledge and experiences in order to learn from external and internal environment (Frenandes and Rebiro,2010, pp. 61-181)

### The review of literature

Qareh *et al* (2012) in an article entitled “The relationship between organization intelligence and its components and job performance in the physical fitness manager in the sport team of Ahvaz city” studied the relationship between organizational intelligence and its components with job performance and he concluded that there is significant relationship between each and every component of organizational intelligence and the job performance of the managers.

Sharifabadi (2012) in another article entitled “Offering a conceptual framework toward assessment of agility and ranking organizations using Fuzzy” measured the amount of agility in the different sections of Alloy Steel. He also suggested a four-dimensional matrix in order to find the agility obstacles in each of the units. Through it, he identified the strong and weak points and offered appropriate strategies for programming and making decisions in different sections.

Symich (2005) in another research pointed out that individuals and organizations which enjoyed the variable of high organizational intelligence in the fields of understanding organizational problem, understanding the learning of knowledge and improving the performance as compared to the others, are superior to the others.

Lefter *et al* (2008) in an article named “the dimensions of organizational intelligence of human prospects in Romanian companies” indicated that only 30 % of the staffs of the medium and large companies were familiar with the concept of organizational intelligence and the staff of small companies were not familiar with this concept at all. Despite this fact, the analyses indicated that the organizational intelligence was at the average and higher level.

### Methodology

The present research is an applied one from the goal perspective and it is a descriptive research of the kind of correlation from the methodology perspective. The data were collected in the form of field research. The population of this research includes all the employees of general offices of Supreme Audit Court including 31 of the general offices of the Supreme Audit Court in the provinces in 2013. Their number is 2384 and by Kookran formula, their number was appropriately reduced to 337 people.

For the purpose of collecting data analysis, two types of questionnaires were used. Questionnaire no.1 is actually the questionnaire of organizational intelligence which is based on Albrecht’s model of organizational intelligence (2002) and questionnaire no.2 is actually the questionnaire of organizational agility which is based on the model of Sharifi and Zhang (2000).

### Research hypotheses

#### The main hypotheses

There is a significant relationship between organizational intelligence and organizational agility in supreme Audit Court.

#### The subsidiary hypotheses

1- There is a significant relationship between the strategic prospect and organizational agility in the supreme Audit Court.

2- There is a significant relationship between the joint fate and the organizational agility in the supreme Audit Court.

3- There is a significant relationship between the tendency to change and organizational agility in the Supreme Audit Court.

4- There is a significant relationship between the unitedness, agreement and organizational agility in the Supreme Audit Court.

5- There is a significant relationship between the spirit and the organizational agility in the Supreme Audit Court.

6- There is a significant relationship between the application of knowledge and organizational agility Supreme Audit Court.

7- There is a significant relationship between the functional pressure and organizational agility in the supreme Audit Court.

## Results

### Quantitative description of the research variable

**Table 1. The amount of descriptive indexes related to the variables of model**

Max	Min	Kurtosis	Skewness	SD	Mean	Median	Mode	Indices	Variable
5/0	1/9	-0/08	-0/109	0/6	3/4	3/5	3/5	total	Organizational intelligence
5/0	2/0	-0/135	-0/118	0/5	3/5	3/5	3/5	Strategic prospects	
5/0	1/4	0/126	-0/538	0/6	3/6	3/6	3/8	Joint fate	
5/0	1/2	0/181	-0/206	0/8	3/1	3/1	3/0	Tendency to change	
5/0	2/0	-0/225	-0/128	0/6	3/4	3/4	3/4	Unity and agreement	
5/0	1/4	0/196	-0/195	0/6	3/4	3/4	3/3	Spirit	
5/0	1/0	0/424	-0/396	0/8	3/4	3/4	3/4	Knowledge use	
5/0	1/5	-0/227	-0/138	0/6	3/3	3/4	3/4	Performance pressure	
5/0	1/9	0/276	-0/031	0/5	3/3	3/3	3/3	Total	Organizational agility
5/0	1/8	-0/343	0/012	0/6	3/3	3/4	3/4	Responsiveness	
5/0	1/7	0/311	-0/322	0/6	3/3	3/4	3/4	Qualification	
5/0	2/0	0/340	-0/101	0/5	3/3	3/3	3/5	Flexibility	
5/0	1/5	0/088	0/248	0/6	3/2	3/2	3/3	Quickness in action	

### Hypothesis testing

#### Main hypothesis

There is a significant relationship between organizational intelligence and organizational agility in the Supreme Audit Court.

The results obtained from the correlation test of

Pearson and Spearman indicated that there is a significant relationship between organizational intelligence and organizational agility in the supreme Audit Court ( $r = 0.817, 0.791; P < 0.001$ ). This is a direct relationship.

*Minor hypotheses 1:* there is a significant relationship between strategic prospects and organizational agility in the supreme Audit Court.

**Table 2. Correlation coefficient between organizational intelligence and organizational agility in the supreme Audit Court**

Kind of relationship	Relation ship	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	N	p	r	N	p	r	Organizational intelligence
		337	>0/001*	0/791	337	>0/001*	0/817	

**Table 3. Correlation coefficient between strategic prospects and organizational agility in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Strategic prospect
		337	>0/001*	0/559	337	>0/001*	0/568	

\*At the significant level of 0.05



The results obtained from correlation test of Pearson and Spearman indicated that there is a significant relationship between and organizational agility in the Supreme Audit Court ( $r = 0.568, 0.559$ ;  $P < 0.001$ )

*Minor hypotheses 2:* There is a significant relationship between joint fate and organizational agility in the supreme Audit Court.

The results obtained from the correlation test of Pearson and Spearman indicated that there is a significant relationship between joint fate and organizational agility in the Supreme Audit Court ( $r = 0.766, 0.652$ ;  $P < 0.001$ ). This is a direct relationship.

*Minor hypothesis 4:* There is a significant relationship between the tendency to change and organizational agility in the supreme Audit Court.

**Table 4. Correlation coefficient between joint fate and organizational agility in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Joint fate
		337	>0/001*	0/652	337	>0/001*	0/677	

\*At the significant level of 0.05

**Table 5. Correlation coefficient between the tendency to change and organizational agility in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Tendency to change
		337	>0/001*	0/770	337	>0/001*	0/772	

\*At the significant level of 0.05

The results obtained from correlation test of Pearson and Spearman indicated that there is a significant relationship between the tendency to change and organizational agility in the Supreme Audit Court ( $r = 0.772, 0.770$ ;  $P < 0.001$ ). This is a direct relationship.

*Minor hypothesis 5:* There is a significant relationship between unitedness, agreement and organizational agility in the Supreme Audit Court.

The results obtained from the correlation test of Pearson and Spearman indicated that there is a significant relationship between unitedness, agreement and organizational agility in the supreme Audit Court ( $r = 0.705, 0.693$ ;  $P < 0.001$ ). This is a direct relationship.

*Minor hypothesis 6:* There is a significant relationship between spirit and organizational agility in the supreme Audit Court.

**Table 6. Correlation coefficient between unitedness, agreement and organizational agility in the Supreme Audit Court.**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Unitedness and agreement
		337	>0/001*	0/693	337	>0/001*	0/705	

\*At the significant level of 0.05

The results obtained from correlation test of Pearson and Spearman indicated that there is a significant relationship between spirit and organizational agility in the Supreme Audit Court ( $r = 0.716$ ,  $0.709$ ;  $P < 0.001$ ). This is a direct relationship.

*Minor hypothesis 6:* There is a significant relationship between the application of knowledge and organizational agility in the Supreme Audit Court.

The results obtained from correlation test of Pearson and Spearman indicated that there is a significant relationship between the application of knowledge and organizational agility in the Supreme Audit Court ( $r = 0.720$ ,  $0.730$ ;  $P < 0.001$ ). This is a direct relationship.

*Minor hypothesis 7:* There is a relationship between the functional pressure and organizational agility in the supreme Audit Court

**Table 7. Correlation coefficient between spirit and organizational agility in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Spirit
		337	>0/001*	0/709	337	>0/001*	0/716	

\*At the significant level of 0.05

**Table 8. Correlation coefficient between the application of knowledge and organizational agility in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	application of knowledge
		337	>0/001*	0/720	337	>0/001*	0/730	

\*At the significant level of 0.05

**Table 9. Correlation coefficient between functional pressure and organizational pressure in the supreme Audit Court**

Type of relation	The existence of relation	Organizational agility						Variable
		Correlation						
		Spearman			Pearson			
Direct	Yes	Number	P	correlation (r)	number	p	correlation (r)	Functional pressure
		337	>0/001*	0/680	337	>0/001*	0/688	

\*At the significant level of 0.05

The results obtained from correlation test of Pearson and Spearman indicated that there is a significant relationship between functional pressure and organizational agility in the Supreme Audit Court ( $r = 0.688$ ,  $0.680$ ;  $P < 0.001$ ). This is a direct relationship.

## Discussion and conclusion

According to the finding of the research about the relationship between the components of organization-

al intelligence and organizational agility, we can claim that all components of organizational agility are actually appropriately expressive of organizational agility and these components can be used for the purpose of improving organizational agility. Among the components of organizational intelligence, the application of knowledge has the most effect on organizational agility. And, this shows that organizations that seek more agility should achieve this goal by applying the up-dated knowledge and also by using information and data

effectively. Organizational agility itself can pave the way for making appropriate grounds and providing the necessary conditions for the protection and surviving of the organization in today's competitive world especially in the world of (higher) education; therefore, we can regard the application of knowledge and the most appropriate component for organizational agility.

## Recommendations

The following recommendations can be raised from this study:

In terms of the finding of the research based on the existence of direct relationship between organizational agility and organizational intelligence in the supreme Audit Court, it is recommended that by improving the components of organizational intelligence, organizational agility will also be increased. So that the supreme Audit Court can protect itself and its position in today's turbulent and quickly changing world.

In terms of the above recommendation, for the purpose of improving and increasing the amount of the components of organizational intelligence in line with the increasing of organizational agility, it is suggested that:

- Improving the strategic viewpoint of managers: the most important issue in the strategic viewpoints is actually providing the statement of mission and goals for every organization. Organizations should have something for this purpose and they should distinguish opportunities and threats by careful studying of organizational environment and take the appropriate and timely necessary actions.

- Improving the feeling of joint fate: it is suggested that the feeling of joint fate between managers and staff, managers should share plans and important issues with the staff. Because by this way, all the staff will help the manager with the best they can do in order to achieve their organizational goals.

- Improving the staff's tendency to change: it is suggested that by studying organizational environment, organizational activity constantly be growing and be adjusted to the environmental changes of organization.

- Improving the spirit: it is suggested that managers increase the quality of the life and work in the organization through recreational programs, family holidays, implementation of appropriate programs in different national and religious occasions and ceremony for the staff with their family.

- Improving the unitedness and the agreement: delegation of the power is one of the issue that can increase or improve the feeling of unitedness and agree-

ment among the staff and managers. Therefore, it is suggested that the managers delegate some degree of their power to their subordinates and trust them.

- Improving the application of knowledge in the organization: it is suggested that in the organization, internet website should be created. Creation of internet website in the organization enables the individuals inside the organization to be familiarized with the latest changes and research findings which are related to the goals of the organization and their jobs.

- Improving the functional pressure: it is suggested that the staff be aware of their responsibilities and their roles in the organization and the expectation of the organization from the collaboration of the staff be expounded. And, in this regards there be clear and constant contacts between the managers and the organization.

## References

- Adel, A., & Pishdar, M., (2011). Identification and index measurement of organizational agility. *Journal of management research*, 4, (11), 5-20.
- Seyed Javadin, S. (2008). The criteria of competency 360 degree. Retrieved from [www.seyedJavadin.com/seminar/360.doc](http://www.seyedJavadin.com/seminar/360.doc)
- Sharif Abadi, A., Yonesifar, A., Aghabaeri, H., & Keshvarshahi, N. (2012). Offering a conceptual framework for the assessment of agility and ranking organizations using Fazi techniques. *Management of Production and Operation*, 3(2), 23-40.
- Breu, K., Hemingway, C.J. & Strathern, M. (2001). Workforce Agility: the New Employee Strategy for the Knowledge Economy. *Journal of Information Technology*, 17, 21-31.
- Fernandes, M.T., & Ribeiro, L. (2010). Exploring Agile Methods in Construction Small and Medium Enterprises: A Case Study. *Francisco Journal of Enterprise Information Management*, 23(2), 161-180.
- Halal W.E. (1997). *Organizational intelligence: what is it, and how can manager use it?*. Retrieved 2007 from. <http://www.Bah.com>.
- Albrecht, Karl (2002). *Organizational intelligence and Knowledge management the executive prospect*. Retrieved from <http://www.karlAlbrecht.com>.
- Lefter, V., Prejmorean, M., & Vasilache, S. (2008). *The dimension of organizational intelligence in Romanian companies-a human capital perspective*. Academy of economic studies, Bucharest



- Nasabi, N. (2008). *Studying the relationship between organizational intelligence and the creativity of staff in Shiraz medical university*, M.A thesis, Payame Noor university, Shiraz branch.
- Qareh, M., Ferdosi, N. & Marashian, F. (2012). The relationship between organizational intelligence and its components and job performance of the managers of physical fitness of the sports team in Ahvaz city. *Applied and Biological Research in Sport*, 2(91), 73-80.
- Qumer A, & Henderson-Sellers B. (2008). A framework to support the evaluation, adaption and improvement of agile methods in practice. *The journal of System and Software*, 81, 1899-1919.
- Simic, I. (2005). Organizational learning as a component of organizational intelligence. *Journal: information and marketing aspects of the economically, university of national and world Economy*. Sofia, Bulgaria. Retrieved 2006 from. <http://unwe.acad.bg/repec/sources/5c2005.pdf>.